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## Russian Federation

### Agricultural Situation

### Russia's Federal Budget Outlays for Agriculture in 2009

### 2008

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**Report Highlights:**

The Russian Government has increased the federal budget outlays for the Ministry of Agriculture of the Russian Federation in 2009 by 54.24 billion rubles (\$1.9 billion) over the planned level. The total outlays for 2009 will be 148.23 billion rubles (\$5.3 billion), of which almost 68 percent will be transferred to the provincial and municipal budgets for direct and interest rate support subsidies to agricultural producers. The government also increased outlays for agricultural education, professional training and applied research by 4.70 billion rubles (\$168 million) to 17.89 billion rubles (\$639 million). Federal budget outlays for the Federal Service for Veterinary and Phytosanitary Surveillance are increased by 2.02 billion rubles (\$72 million) to 13.01 billion rubles (\$468 million). Federal budget outlays for the Federal Fishery Agency remain unchanged from the planned level: 8.32 billion rubles (\$297 million).

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Moscow [RS1]  
[RS]

**Russia's Federal Budget Outlays for Agricultural Agencies for 2009 Increased by 54.2 Billion Rubles over the Planned Level**

The Russian Government has increased the 2009 federal budget outlays for the three major agricultural agencies, i.e. Ministry of Agriculture of the Russian Federation, Russia's Federal Service for Veterinary and Phytosanitary Surveillance (VPSS), and Russia's Federal Fishery Agency, by almost 56.26 billion rubles (\$2.0 billion) from the level proposed in the preliminary budget for 2009<sup>1</sup>. The total budget outlays for these three agencies will be 169.64 billion rubles (\$6.1 billion) in 2009. The new budget is adopted by the Federal Law "On the Federal Budget for 2009, and the Planned Period 2010 and 2011" of November 24, 2008, #204-FZ<sup>2</sup>

The total outlays for the Ministry of Agriculture are raised by 54.24 billion rubles (\$1.9 billion) to 148.23 billion rubles (\$5.3 billion). Almost 68 percent of all budget outlays to the Ministry of Agriculture, or 101.39 billion rubles (\$3.6 billion) will be transferred to the provincial and municipal budgets for subsidizing provincial budget programs targeted for farmers support and interest rate subsidies. Meantime funding of some direct Ministry of Agriculture's programs is decreased. The government increased outlays to the Ministry of Agriculture for agricultural education, professional training and applied research by 4.70 billion rubles (\$168 million) to 17.89 billion rubles (\$639 million).

Federal budget outlays for VPSS are increased by 2.02 billion rubles (\$72 million) to 13.01 billion rubles (\$468 million).

Federal budget outlays for the Federal Fishery Agency remain unchanged from the planned level: 8.32 billion rubles (\$297 million).

The federal budget outlays to Ministry of Agriculture, VPSS, and the Federal Fishery Agency are published in Attachment 6 to the Federal Law #204-FZ in the major Russian newspaper "Rossiyskaya Gazeta" on December 3, 2008. The text of Attachment 6 can be found on the web-site: <http://www.rg.ru/2008/12/03/budget-pril-dok.html>.

The Table below shows budget outlays for the Russian Ministry of Agriculture, VPSS, and the Federal Fishery Agency in thousand rubles, and in U.S. dollars, by major budget categories.

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<sup>1</sup> The federal budget outlays were drafted in the beginning of 2008 for the 3-year's period 2009-2011.

<sup>2</sup> The Federal Law #204-FZ "On the Federal Budget for 2009 and the Planned Period 2010 and 2011" was adopted by the State Duma on October 31, 2008, was approved by the Federation Council on November 12, 2008, and was signed by the President of the Russian Federation Dmitry Medvedev on November 24, 2008. The data on outlays by government agencies was specified in the Amendments to the Federal Law #204-FZ.

**Table 1. Russian Budget Outlays for Ministry of Agriculture, VPSS, and the Federal Fisheries Agency, 1,000 Rubles, U.S. Dollars<sup>3</sup>**

		1,000 rubles		1,000 U.S. Dollars	
		2009		2009	
Agency	Budget Code	Additions and deductions	Final Outlays	Additions and deductions	Final Outlays
<b>Ministry of Agriculture</b>	082	54,236,994	148,228,001	1,937,035	5,293,857
Including:				0	0
- National level issues, including international cooperation	082 01		11,157	0	398
- - International relations and cooperation	082 01 08		11,157	0	398
- National economy	082 04	11,111,265	28,822,968	-396,831	1,029,392
- - Agriculture and fisheries	082 04 05	-7,757,329	26,896,777	-277,047	960,599
- - - Federal Target Programs	082 04 05 1000000	3,989,870	8,274,270	142,495	295,510
- - - State Support of Agriculture	082 04 05 2600000	1,060,046	4,361,245	37,859	155,759
- - - Applied research and development	082 04 11	586,738	1,017,514	20,955	36,340
- - Other issues concerning national economy	082 04 12	-3,940,674	908,677	-140,738	32,453
- Education	082 07	4,699,337	17,891,505	167,833	638,982
- - Pre-school education	082 07 01	947	3,041	34	109
- - Professional training and upgrading	082 07 05	82,671	358,546	2,953	12,805
- - Higher professional education and training	082 07 06	4,536,443	17,447,298	162,016	623,118
- - Applied research in the sphere of education	082 07 08	78,559	78,559	2,806	2,806
- - Other issues in the sphere of education	082 07 09	717	4,060	26	145
- Health issues and sport activities	082 09	4,460	29,927	159	1,069
- Social Policy	082 10		79,118	0	2,826
- Transfers to provincial and other budgets	082 11	60,644,402	101,393,326	2,165,872	3,621,190
- - Subsidies to provincial and municipal budgets	082 11 02	60,644,402	101,362,670	2,165,872	3,620,095
- - - Federal target programs	082 11 02 1000000	23,050,192	30,284,260	823,221	1,081,581
- - - State support of agriculture	082 11 02 2600000	36,221,250	69,650,450	1,293,616	2,487,516
- - - - Interest rates compensation subsidies to agricultural enterprises for 2-10 years' loans	082 11 02 2600100	10,750,460	29,057,460	383,945	1,037,766
- - - - Interest rates compensation subsidies to individual producers and farmers for loans up to 8 years	082 11 02 2600200	-1,000,000	6,027,200	-35,714	215,257
- - - - Sheep breeding subsidies	082 11 02 2600600	324,000	624,000	11,571	22,286
- - - - Seed breeding subsidies	082 11 02 2600700	322,090	582,090	11,503	20,789
- - - - Subsidies for delivery of seeds to the Northern and other remote territories	082 11 02 2600800	940,000	1,000,000	33,571	35,714
- - - - Flax and hemp production support subsidies	082 11 02 2600900	178,000	258,000	6,357	9,214
- - Subventions to provinces and municipal authorities	082 11 03		30,656	0	1,095

<sup>3</sup> In the Table 1 allocations for the Russian Ministry of Agriculture and the Federal Service for Veterinary and Phytosanitary Surveillance include outlays under 5 and 7 digit's budget codes, and only most important outlays within the 7 digit's budget codes with 14 digit's codes. Allocations for the Federal Fishery Agency include outlays under 5 digits' codes.

<b>Federal Service for Veterinary and Phytosanitary Surveillance</b>	081	2,023,113	13,090,009	72,254	467,500
including:				0	0
- National economy	081 04	1,977,546	12,454,669	70,627	444,810
- - Agriculture and fishery	081 04 05	1,234,877	2,606,994	44,103	93,107
- - - Federal target programs	081 04 05 1000000	340,290	397,950	12,153	14,213
- - Applied research and development	081 04 11	56,687	91,270	2,025	3,260
- - Other national economy issues	081 04 12	685,983	9,756,405	24,499	348,443
- Social policy	081 10	26,000	46,000	929	1,643
- Transfers to provincial and municipal budgets	081 11	19,567	589,341	699	21,048
					0
<b>State Committee on Fishery (Federal Fishery Agency)</b>	080		8,320,671		297,167
including:					0
- National level issues	080 01		27,113		968
- National economy	080 04		5,205,338		185,905
- Education	080 07		2,452,134		87,576
- Social policy	080 10		24,000		857
- Transfers to provincial and municipal budgets	080 11		612,086		21,860

\* Post used exchange rate set by the Russian Central Bank for December 3, 2008, for calculations of Russian federal budget outlays in U.S. dollars. This exchange rate is 28.01 Rubles per \$1 U.S.

Source: Rossiyskaya Gazeta

#### Relevant Reports:

RS8089 Agricultural Situation / Russia: Doctrine of Food Security

<http://www.fas.usda.gov/gainfiles/200811/146306496.pdf>

RS7051 Agricultural Situation / Government Program for Agriculture and for Market Regulation 2008-2012

<http://www.fas.usda.gov/gainfiles/200707/146291764.pdf>

RS7020 Agricultural Situation / Progress of the National Priority Project in Agriculture

<http://www.fas.usda.gov/gainfiles/200702/146280251.pdf>

RS7005 Agricultural Situation / Federal Law "On Development of Agriculture"

<http://www.fas.usda.gov/gainfiles/200701/146279991.pdf>